



DEPARTMENT OF SOCIAL SERVICES
DEPARTMENT OF EDUCATION
700 Governors Drive
Pierre, South Dakota 57501-2291

September 30, 2004

RE: Medicaid Administrative Claims

Dear Superintendent or Business Manager:

Every day in South Dakota public schools, health care outreach and care coordination services are provided to many of our school age children. With nearly thirty percent of the students in our schools currently eligible for assistance through the Medicaid program, the costs associated with outreach, eligibility assistance, training, care coordination and other administrative functions, can be claimed through the federal agency that oversees the Medicaid program.

The federal government will reimburse the school Districts and Cooperatives fifty percent of the identified costs; however, it is the responsibility of the Department of Social Services, through its Office of Medical Services, to assist the Districts and Cooperatives in a plan to identify those costs. South Dakota is one of a limited number of states that does not currently have a Medicaid administrative claiming program in place.

Today we are asking for your cooperation in establishing a new program in South Dakota that will identify our Medicaid school administration costs, so that our Districts and Cooperatives may receive the federal funds they are entitled to receive. Identification of the costs must be accomplished through the use of random moment time studies, completed once each year, in a District or Cooperative. These time studies would be conducted over a one-week time period, for a sample of school District personnel. Training would be provided to these selected instructors and technicians immediately prior to a time study week. Approximately fifteen percent of District and Cooperative personnel would be required to complete the weekly time study each year. The time study data is then applied against the Districts' and Cooperatives' quarterly cost information to complete the claiming process.

We will not know what the state will be able to claim in additional Medicaid funds until we have completed several quarterly claims. We estimate that with full cooperation by our Districts and Cooperatives, the state's annual federal Medicaid claim may approach \$7.0 million. During the difficult fiscal times we face, we must take advantage of this funding.

To assist with the development and operations of this new program, the State of South Dakota has entered into a contractual relationship with a firm which has, as its partners, two gentlemen who are very knowledgeable about the Medicaid program. They are Steve Curtiss, a recent Director within the Nebraska Health and Human Services System, and Bob Seiffert, who has administered the Nebraska Medicaid program for nearly twenty years. They will work closely with staff of the Departments of Social Services and Education, as well as the school Districts, to establish our claiming program as quickly as possible.

In order to provide you with more detailed information, we are asking for your attendance at a DDN training session on October 6. Please make every effort to be on this video conference, as much important information will be provided.

Attached is an overview of the Claiming Program. Please copy this attachment and bring it with you to the video conference. We appreciate your cooperation.

Sincerely,



James W. Ellenbecker
Secretary
Department of Social Services



Rick Melner, Ed. D.
Secretary
Department of Education